

STATE OF MAINE PUBLIC UTILITIES COMMISSION 242 STATE STREET 18 STATE HOUSE STATION AUGUSTA, MAINE 04333-0018

SHARON M. REISHUS COMMISSIONER

December 21, 2006

CAD Bulletin No. 2006-09

To: All Electric Transmission & Distribution Utilities

From: Mary James, Assistant Director, Consumer Assistance Division

Subject: Oxygen Pump Benefits

An issue has arisen concerning the amount of the oxygen pump benefit provided to customers, and we seek your input.

During the rulemaking to amend Chapter 314 to include oxygen pump benefits, Maine Public Service Company suggested that the benefit be limited to the amount of the actual monthly billing to avoid situations where the benefit exceeded the usage. In the Order Adopting the Rule, we noted that there was a low probability of this occurring, and that a utility's cost of comparing actual usage with the benefit amount would be more than the amount saved. We therefore declined to limit the amount of the oxygen pump benefit because we believed it would be unduly burdensome for utilities to compare actual usage with the benefit provided.

However, Bangor Hydro-Electric Company and Maine Public Service recently provided us with examples of accounts where the monthly oxygen pump benefit consistently exceeds the historic monthly kWh usage by the customer (all usage, not just oxygen pump usage). The result is that by the end of the year, these customers would have a significant credit balance due to the oxygen pump benefit.

The intent of Chapter 314 is to provide customers with a credit that is equivalent to the cost of running an oxygen pump, not to subsidize their entire electric bill. To help us determine how to best address this concern, please provide the following information:

1. Do you provide a monthly benefit or a lump sum benefit to oxygen pump users?

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- 2. How many accounts have you reviewed where, if it had been in place, the amount of the oxygen pump benefit would exceed the historic monthly usage for the account?
- 3. For each account identified in #2, how many months in the past year did the expected benefit exceed the historic monthly usage? By how much did the benefit exceed the usage (0-50 kWh, 50-100 kWh, etc.).
- 4. How burdensome would it be to "true up" (either at the end of the program year or during the program year) the benefit amount in situations where the benefit amount exceeds the total actual usage once the actual usage of the customer is known?
- 5. Please estimate the total dollar amount of oxygen pump benefits you expect to provide to customers for the period October 1, 2006 to September 30, 2007.
- 6. For accounts where the anticipated monthly benefit will exceed the total monthly bill, please estimate the total dollar amount of monthly benefits provided in excess of monthly bills.
- 7. What do you believe is the best way to address the issue of oxygen pump benefits exceeding the total actual usage?

Please provide the information requested above by **February 1**, **2007**, either by e-mail or hard copy. If you have any questions, please call me at 207/287-2950 or e-mail me at mary.r.james@maine.gov.

Thank you for taking the time to provide this information.